

**UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**For the 4th Quarter Ended 30 June 2020**

	Individual Quarter			Cumulative Quarter		
	Current Year Quarter 30/06/2020	Preceding Year Corresponding Quarter 30/06/2019 Restated	Changes	Current Year To Date 30/06/2020	Preceding Year Corresponding Period 30/06/2019 Restated	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
<b>Revenue</b>	27,633	95,330	-71	234,607	333,299	-30
Cost of Sales	(23,717)	(56,812)	-58	(170,392)	(233,509)	-27
<b>Gross Profit</b>	3,916	38,518	<b>-90</b>	64,215	99,790	<b>-36</b>
Other Income	303	363		1,139	1,041	
Interest Income	524	222		1,194	897	
Operating Expenses	(4,770)	(16,878)		(26,367)	(58,173)	
Finance Costs	10,076	(2,441)		(2,526)	(4,681)	
Share of results of associates	992	230		603	2,812	
<b>Profit/(Loss) Before Tax</b>	<b>11,041</b>	<b>20,014</b>	<b>-45</b>	<b>38,258</b>	<b>41,686</b>	<b>-8</b>
Tax Expenses	(1,959)	(5,483)		(2,096)	(15,176)	
<b>Profit/(Loss) for the period</b>	<b>9,082</b>	<b>14,531</b>	<b>-37</b>	<b>36,162</b>	<b>26,510</b>	<b>36</b>
Profit/(Loss) attributable to :						
Owners of the Company	8,250	13,710	-40	32,442	13,996	132
Non-controlling interest	832	821	1	3,720	12,514	-70
	<b>9,082</b>	<b>14,531</b>	<b>-37</b>	<b>36,162</b>	<b>26,510</b>	<b>36</b>
Weighted average no. of shares ('000)	371,030	372,773		371,637	372,773	
<b>Earnings per share attributable to Owners of the Company ( sen )</b>						
- Basic	2.22	3.68		8.73	3.75	
- Diluted	2.22	2.79		8.73	2.84	

(The unaudited Consolidated Statement of Profit or Loss And Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2019 and the accompanying explanatory notes attached to the interim financial statements)

**FAJARBARU BUILDER GROUP BHD** (281645-U)

**UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**
**For the 4th Quarter Ended 30 June 2020**

	Individual Quarter			Cumulative Quarter		
	Current Year Quarter 30/06/2020	Preceding Year Corresponding Quarter 30/06/2019 Restated	Changes	Current Year To Date 30/06/2020	Preceding Year Corresponding Period 30/06/2019 Restated	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
<b>Profit/(Loss) for the period</b>	9,082	14,531	-37	36,162	26,510	36
<b>Other comprehensive income/(loss) :</b>						
Net gain on other investment						
- Gain/(loss) on fair value changes	1,963	(783)		394	(1,569)	
Foreign currency translation						
- Gain/(loss) on currency translation	59	3		7	(2)	
<b>Total Comprehensive income/(loss)</b>	<b>11,104</b>	<b>13,751</b>	<b>-19</b>	<b>36,563</b>	<b>24,939</b>	<b>47</b>
<b>Total comprehensive income/(loss) attributable to :</b>						
Owners of the Company	10,243	12,928	-21	32,840	12,426	164
Non-controlling interest	861	823	5	3,723	12,513	-70
	<b>11,104</b>	<b>13,751</b>	<b>-19</b>	<b>36,563</b>	<b>24,939</b>	<b>47</b>

(The unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2019 and the accompanying explanatory notes attached to the interim financial statements)

**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2020**

	(Unaudited)	(Audited)	Audited
	As At Financial Year Ended 30/06/2020 RM'000	As At Financial Year Ended 30/06/2019 Restated RM'000	As At 01/07/2018 Restated RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant & equipment	41,040	52,553	43,541
Right-of-use assets	899	-	-
Investment properties	44,129	44,081	44,081
Land held for property development	-	-	-
Development cost	-	-	-
Investment securities	10,601	10,207	11,776
Investment in associates	4,767	4,164	1,352
Intangible assets	216	218	214
Trade receivables	-	-	-
Other receivables & prepayments	13,543	14,181	17,889
Goodwill	7	7	7
Deferred tax assets	-	1,301	2,630
	115,202	126,712	121,490
<b>Current assets</b>			
Inventories	122,436	125,723	124,272
Trade receivables	48,032	76,450	98,900
Other receivables	22,892	24,816	47,766
Contract Assets	21,753	39,028	34,443
Tax recoverable	7,838	4,717	287
Amount due from associates	30,791	31,293	37,319
Short-term investments	27,661	13,144	5,619
Fixed deposits with licensed banks	12,601	12,290	12,565
Cash and bank balances	35,221	26,547	40,696
	329,225	354,008	401,867
<b>TOTAL ASSETS</b>	444,427	480,720	523,357
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	194,303	194,275	194,275
Treasury shares	(1,655)	(1,141)	(1,141)
Warrant reserves	-	7,674	7,674
Other reserves	1,110	1,110	1,110
ESOS - Reserves	-	2,628	2,628
Fair value reserves	(1,222)	(1,616)	(46)
Foreign currency translation reserves	(712)	(716)	(715)
Retained profits	117,961	80,809	72,405
Equity attributable to owners of the Company	309,785	283,023	276,190
Non-Controlling interests	17,289	20,181	26,778
<b>TOTAL EQUITY</b>	327,074	303,204	302,968
<b>Non-current liabilities</b>			
Deferred tax liabilities	7,774	7,769	7,393
Loans and borrowings	1,941	8,002	31,464
Lease liability	332	-	-
	10,047	15,771	38,857
<b>Current liabilities</b>			
Loans and borrowings	28,525	54,808	71,604
Lease liability	586	-	-
Trade payables	36,112	53,427	53,346
Other payables	24,726	16,741	18,036
Bank overdrafts	-	-	1,101
Contract liabilities	9,066	20,773	21,170
Provision of taxation	1	7,706	3,891
Provision	8,290	8,290	12,384
	107,306	161,745	181,532
<b>TOTAL LIABILITIES</b>	117,353	177,516	220,389
<b>TOTAL EQUITY AND LIABILITIES</b>	444,427	480,720	523,357
<b>Net assets per share attributable to owners of the Company (RM)</b>	0.8354	0.7592	0.7416
<b>No. of Shares issued (net of treasury shares)</b>	370,806,692	372,772,864	372,412,292

(The unaudited Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2019 and the accompanying explanatory notes attached to the interim financial statements)

**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE 4TH QUARTER ENDED 30 JUNE 2020**

	Financial Year Ended 30/06/2020	Preceding Corresponding Financial Year Ended Restated 30/06/2019
	RM'000	RM'000
<b><u>CASH FLOW FROM OPERATING ACTIVITIES</u></b>		
Profit/(Loss) before taxation	38,258	41,686
Adjustment for :		
Amortisation of intangible assets	2	-
Depreciation on property, plant and equipment	13,547	12,240
Depreciation on right-of-use assets	438	-
(Gain) / Loss on disposal of property, plant and equipment	(14)	(26)
(Gain) / Loss on investment fund	(485)	-
Bad debts written off	467	15
Inventories written off	657	123
Impairment loss on property, plant and equipment	915	-
Impairment loss on contract assets	-	9,744
Impairment loss on receivables	-	21,413
Interest income	(709)	(944)
Dividend income	(177)	(95)
Finance costs	2,576	2,972
Share of results of associates	(603)	(2,812)
Unrealise (gain) / loss on foreign exchange differences	(384)	729
Unrealise (gain) / loss on investment fund	(11)	-
<b>Operating profit before working capital changes</b>	<b>54,477</b>	<b>85,045</b>
Change in working capital		
(Increase)/Decrease in inventories	5,330	(2,130)
(Increase)/Decrease in receivables	31,913	20,869
Increase/(Decrease) in payables	(17,621)	7,076
Decrease/(Increase) in contract assets/liabilities	14,202	(18,789)
<b>Cash generated from / (used in) operations</b>	<b>88,301</b>	<b>92,071</b>
Taxes paid	(11,621)	(14,086)
Interest paid	(4,947)	(3,714)
<b>Net cash flow (used in)/ generated from operating activities</b>	<b>71,733</b>	<b>74,271</b>
<b><u>CASH FLOW FROM INVESTING ACTIVITIES</u></b>		
Interest received	1,011	897
Dividend received	177	95
Proceeds from disposal of property, plant and equipment	14	92
Additional of right-of-use assets	(1,337)	-
Purchase of property, plant and equipment	(2,837)	(15,776)
Purchase of trademark	-	(4)
Repayment/(Advance) to associates	501	5,298
<b>Net cash generated from / (used in) investing activities</b>	<b>(2,471)</b>	<b>(9,398)</b>
<b><u>CASH FLOW FROM FINANCING ACTIVITIES</u></b>		
Finance cost paid	(143)	(167)
Dividends paid on ordinary shares	(5,592)	(5,592)
Dividend paid by subsidiary to non controlling interest	(6,615)	(19,110)
Acquisition of treasury shares	(514)	-
Proceeds from exercise of warrants	28	-
Proceeds from hire purchase	112	-
Repayment of lease liabilities	(468)	-
Repayment of hire purchase	(1,580)	(3,563)
(Repayment)/Drawdown of loan and borrowings	(30,995)	(42,237)
<b>Net cash generated from / (used in) financing activities</b>	<b>(45,767)</b>	<b>(70,669)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>23,495</b>	<b>(5,796)</b>
Effect of exchange rate changes on cash and cash equivalents	7	(2)
<b>CASH AND BANK BALANCES AS AT 1 JULY</b>	<b>51,981</b>	<b>57,779</b>
<b>CASH AND BANK BALANCES AS AT 30 JUNE</b>	<b>75,483</b>	<b>51,981</b>
Less : Fixed deposit under lien	(12,601)	(12,290)
<b>CASH AND CASH EQUIVALENTS AS AT 30 JUNE</b>	<b>62,882</b>	<b>39,691</b>

(The unaudited Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2019 and the accompanying explanatory notes attached to the interim financial statements)

**FAJARBARU BUILDER GROUP BHD** (281645-U)

**Unaudited Consolidated Statement of Changes in Equity  
For the 4th Quarter Ended 30 June 2020**

	Share Capital (RM'000)	Treasury Shares (RM'000)	Other reserve (RM'000)	Warrant reserve (RM'000)	Employee share option reserve (RM'000)	Fair value reserve (RM'000)	Foreign exchange translation reserve (RM'000)	Retained profit (RM'000)	Attributable to Owners of the Company (RM'000)	Non-Controlling Interest (RM'000)	Total Equity (RM'000)
<b>As at 1 July 2019</b>	194,275	(1,141)	1,110	7,674	2,628	(1,616)	(716)	80,809	283,023	20,181	303,204
<b>Total comprehensive income/(loss) for the year</b>	-	-	-	-	-	394	4	32,442	32,840	3,723	36,563
Dividends	-	-	-	-	-	-	-	(5,592)	(5,592)	(6,615)	(12,207)
Treasury shares purchased	-	(514)	-	-	-	-	-	-	(514)	-	(514)
Issue of ordinary shares:											
- pursuant to warrant exercised	28	-	-	-	-	-	-	-	28	-	28
Share based payments:											
- ESOS lapsed	-	-	-	-	(2,628)	-	-	2,628	-	-	-
- Warrant expired	-	-	-	(7,674)	-	-	-	7,674	-	-	-
<b>As at 30 June 2020</b>	<b>194,303</b>	<b>(1,655)</b>	<b>1,110</b>	<b>-</b>	<b>-</b>	<b>(1,222)</b>	<b>(712)</b>	<b>117,961</b>	<b>309,785</b>	<b>17,289</b>	<b>327,074</b>
<i>Preceding year corresponding period</i>											
<b>As at 1 July 2018 (as previously stated)</b>	194,275	(1,141)	1,110	7,674	2,628	(1,616)	(716)	83,262	287,046	26,778	313,824
- Prior year adjustment								(10,857)	(10,857)	-	(10,857)
<b>As at 1 July 2018</b>	194,275	(1,141)	1,110	7,674	2,628	(47)	(715)	72,405	276,189	26,778	302,967
<b>Total comprehensive income for the year</b>	-	-	-	-	-	(1,569)	(1)	13,996	12,426	12,513	24,939
Dividends	-	-	-	-	-	-	-	(5,592)	(5,592)	(19,110)	(24,702)
<b>As at 30 June 2019</b>	<b>194,275</b>	<b>(1,141)</b>	<b>1,110</b>	<b>7,674</b>	<b>2,628</b>	<b>(1,616)</b>	<b>(716)</b>	<b>80,809</b>	<b>283,023</b>	<b>20,181</b>	<b>303,204</b>

(The unaudited Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2019 and the accompanying explanatory notes attached to the interim financial statements)

**Notes to the Interim Financial Report**

**A1 Basis of preparation**

The unaudited interim financial report has been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“MFRS”) 134 Interim Financial Reporting issued by the Malaysian Accounting Standards Board and paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 30 June 2019. These explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2019.

**A2 Changes of accounting policies**

The accounting policies adopted by the Group in the quarterly financial statements are consistent with those adopted in the financial statements for financial year ended 30 June 2019, except for the adoption of the following new and revised MFRSs, IC Interpretations and Amendments which are effective from the annual period on or after 1 January 2019:-

Standard	Title
MFRS 16	Leases
IC Interpretation 23	Uncertainty over Income Tax Treatments
Amendments to MFRS 9	Financial Instruments- Prepayment Features with Negative Compensation
Amendments to MFRS 11	Joint Arrangements (Annual Improvements to MFRS Standards 2015-2017 Cycle)
Amendments to MFRS 112	Income Taxes (Annual Improvements to MFRS Standards 2015-2017 Cycle)
Amendments to MFRS 119	Employee Benefits- Plan Amendment, Curtailment or Settlement
Amendments to MFRS 123	Borrowing Costs (Annual Improvements to MFRS Standards 2015-2017 Cycle)
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures

The adoption of the above new accounting standards, interpretations and amendments does not have any material impact on the financial statements of the Group, except for MFRS 123: Borrowing Cost.

### MFRS 123: Borrowing Cost

In March 2019, the IFRS Interpretation Committee (“IFRIC”) clarified that land held for development and development properties would have achieved their intended purposes when a development project is launched, and hence, the developer should cease capitalization of borrowing cost in a development project at the point when the project is launched.

The Malaysian Accounting Standards Board has decided that an entity shall apply the change in accounting policy as a result of the IFRIC’s clarification on IAS 23 Borrowing Cost (“IFRIC Agenda Decision”) to financial statements with annual periods beginning on or after 1 July 2020. Nevertheless, the Group has early adopted the change of the said accounting policy with effect from 1 July 2019.

The Group has elected to apply MFRS 123 using the modified retrospective approach, whereby the cumulative effect of initial application of MFRS 123 is adjusted to the opening balance of retained earnings at the date of initial application, as summarized below:

	RM'000
Retained earnings as at 30 June 2019, as previously stated	92,085
Cumulative effect of initial application of MFRS 123	(11,276)
Retained earnings as at 30 June 2019, as restated	<u>80,809</u>

Therefore, the adjustment which the Group previously expensed off to the profit and loss is now being reclassified to retained earnings. Please refer to Note A16 for the effects arising from the above changes in accounting policies relating to MFRS 123.

#### **A2.1 Amendments to MFRSs and IC Interpretations were issued but not yet effective and have not been applied by the Group:**

##### ***Effective for financial periods beginning on or after 1 January 2019:***

<b><i>Standard</i></b>	<b><i>Title</i></b>
Amendments to MFRS 3	Business Combinations (Annual Improvements to MFRS Standards 2015-2017 Cycle)
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to MFRS 101 and MFRS 108	Definition of Material
Amendments to Reference to the Conceptual Framework in MFRSs	

The Group will apply the above MFRSs, Amendments/Improvements to MFRSs and IC Interpretations that are applicable once they become effective. The adoption of the above MFRSs, Amendments/Improvements to MFRSs and IC Interpretations is not expected to have any material impact on the financial statements of the Group.

#### **A3 Audit Report of Preceding Annual Financial Statements**

The audit report of the Group’s annual financial statements for the year ended 30 June 2019 was not subject to any qualification.

**A4 Seasonal or cyclical factors**

The operations of the Group are not subject to seasonality / cyclical of operations.

**A5 Unusual items**

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial period under review because of their nature, size, or incidence.

**A6 Changes in estimates**

Not applicable.

**A7 Significant related party transactions**

There were no significant related party transactions during the financial period under review.

**A8 Movement in debt and equity securities**

There were no other issuance, cancellation, repurchase, resale and repayment of debts and equity securities during the quarter under review.

The details of shares held as treasury shares for the period ended 30 June 2020 are as follow:

	Number of Treasury shares	Total Considerations RM
Balance as at 31 Mach 2020	1,470,164	1,229,235
Repurchased during the quarter	1,605,600	425,675
Balance as at 30 June 2020	3,075,764	1,654,910

The shares purchased are being held as treasury shares in accordance with Section 127 (16) of the Companies Act, 2016.

**A9 Dividend paid**

There were no dividend paid during the current quarter.

**A10 Carrying Amount of revalued property, plant and equipment**

The valuation of property, plant and equipment has been brought forward without amendment from the financial statement for the year ended 30 June 2019.



## A11 Segmental reporting

The segmental information of the Group analysed by activities is as follows:-

	Before Group's Eliminations						Adjustment and Eliminations RM'000	Total RM'000
	Construction RM'000	Logging and timber trading RM'000	Property development RM'000	Trading RM'000	Logistic RM'000	Investment holding RM'000		
12 months ended 30.06.20								
<b>Revenue</b>								
External Sales	146,322	30,224	44,307	11,820	1,173	210	551	234,607
Inter-segment sales	32,417	1	-	10,497	-	9,925	(52,840)	-
Total revenue	178,739	30,225	44,307	22,317	1,173	10,135	(52,289)	234,607
<b>Results</b>								
Profit/(Loss) from operation	30,893	21,649	2,280	(6)	(128)	6,812	(21,318)	40,182
Finance costs	(2,042)	(14)	(416)	(16)	(39)	-	-	(2,527)
Share of results in associates	-	603	-	-	-	-	-	603
Profit/(Loss) before tax	28,851	22,238	1,864	(22)	(167)	6,812	(21,318)	38,258
<b>Total assets</b>								
Segment assets/ Consolidated total assets	134,833	26,842	143,189	8,854	550	73,624	56,535	444,427

	Before Group's Eliminations							
	Construction	Logging and timber trading	Property development	Trading	Logistic	Investment holding	Adjustment and Eliminations	Total
- Restated	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
12 months ended 30.06.19								
<b>Revenue</b>								
External Sales	168,370	80,448	78,277	7,020	1,490	162	(2,468)	333,299
Inter-segment sales	56,422	-	-	23,681	-	21,658	(101,761)	-
Total revenue	224,792	80,448	78,277	30,701	1,490	21,820	(104,229)	333,299
<b>Results</b>								
Profit/(Loss) from operation	(7,228)	73,655	19,428	229	78	17,687	(60,294)	43,555
Finance costs	(2,597)	(31)	(1,961)	(32)	(60)	-	-	(4,681)
Share of results in associates	-	2,812	-	-	-	-	-	2,812
Profit/(Loss) before tax	(9,825)	76,436	17,467	197	18	17,687	(60,294)	41,686
<b>Total assets</b>								
Segment assets/								
Consolidated total assets	193,002	46,120	209,400	9,317	1,279	424,730	(403,128)	480,720

## A12 Events subsequent to the balance sheet date

There were no material events subsequent to the end of the period under review that have not been reflected in the quarterly financial statements.

## A13 Changes in composition of the Group

There were no changes in the composition of the Group for the current financial quarter under review except as follows: -

i) On 25 August 2020, the Company incorporated a wholly-owned subsidiary company, Fajarbaru Plantation Sdn Bhd. The shares capital and the number of issued shares of Fajarbaru Plantation Sdn Bhd is RM1 comprising 1 ordinary share. Fajarbaru Plantation Sdn Bhd intended to be utilized for the Group's plantation activities.

**A14 Capital commitments**

The outstanding commitments in respect of capital expenditure at the quarter under review provided for in the financial statements are as follows :

<u>Property, Plant &amp; Equipment</u>	30 June 2020 RM'000
Approved and contracted for	
- Denominated in RM	<u>2,506</u>

**A15 Changes in contingent liabilities**

	The Group		The Company	
	As at 30.06.20	As at 30.06.19	As at 30.06.20	As at 30.06.19
	RM'000	RM'000	RM'000	RM'000
Performance and tender bond granted to contract customers	54,993	50,655	-	-

**A16 Prior Year Adjustments**

As mentioned in Note A2, The Group has early adopted the IFRIC Agenda Decision on IAS 23 Borrowing Costs with effect from the financial period beginning 1 July 2019.

During the financial year, the Group had expensed off the borrowing costs which were previously capitalized in inventories - property development cost. Under the IFRIC Agenda Decision, the cumulative effects of initial application of MFRS 123 are adjusted as a prior year adjustment to the opening balances in the financial statements. Accordingly, the following accounts have been restated as follows:

**1. Consolidated Statement of Financial Position**

Group 30.06.2019	As previously reported RM'000	MFRS 123 Adjustment	As restated RM'000
		RM'000	
Inventories - Property Development Cost	113,313	(11,276)	102,037
Non current assets	126,712		126,712
Other current assets	251,971		251,971
<b>Total assets</b>	<b>491,996</b>	<b>(11,276)</b>	<b>480,720</b>
Share capital	194,275		194,275
Treasury shares	(1,141)		(1,141)
Reserves	9,080		9,080
Retained earnings - B/F	83,262	(10,857)	72,405
Retained earnings - FYE 2019	8,823	(419)	8,404
	294,299	(11,276)	283,023
Non-controlling interest	20,181		20,181
<b>Total equity</b>	<b>314,480</b>	<b>(11,276)</b>	<b>303,204</b>
Non current liabilities	15,771		15,771
Current liabilities	161,745		161,745
<b>Total equity and liabilities</b>	<b>491,996</b>	<b>(11,276)</b>	<b>480,720</b>

## 2. Consolidated Statement of Profit or Loss and Other Comprehensive Income

<b>Group</b> <b>For the year ended 30 June 2019</b>	<b>As previously reported RM'000</b>	<b>MFRS 123 Adjustment RM'000</b>	<b>As restated RM'000</b>
Revenue	333,299	-	333,299
Cost of Sales	(234,799)	1,290	(233,509)
Profit from operation	73,422	1,290	74,712
Finance cost	(2,972)	(1,709)	(4,681)
Net impairment (loss)/gain on financial assets and contract assets	(31,157)	-	(31,157)
Shares of results in associates	2,812		2,812
Profit before taxation	42,105	(419)	41,686
Profit attributable to Owners of the Company	14,415	(419)	13,996

## 3. Consolidated Statement of Cash Flow

<b>Group</b> <b>For the year ended 30 June 2019</b>	<b>As previously reported RM'000</b>	<b>MFRS 123 Adjustment RM'000</b>	<b>As restated RM'000</b>
Profit before taxation	42,105	(419)	41,686
(Increase)/Decrease in inventories	(2,549)	419	(2,130)
Adjustment for Non-cash items	43,359	-	43,359
Net changes in working capital	9,156	-	9,156
Other operating activities	(17,800)		(17,800)
Net cash flow (used in)/ generated from operating activities	74,271	-	74,271
Net cash generated from / (used in) investing activities	(9,398)	-	(9,398)
Net cash for financing activities	(70,669)		(70,669)
Effect of exchange differences	(2)		(2)
Cash and cash equivalents at beginning of the financial year	57,779		57,779
Cash and cash equivalents at end of the financial year	51,981	-	51,981

## B Bursa Securities Listing Requirements (Part A of Appendix 9B)

### B1 Review of performance

	Individual Period (4th quarter)			Cumulative Period		
	Current Year Quarter 30/06/2020 (RM'000)	Preceding Year Corresponding Quarter 30/06/2019 Restated (RM'000)	Changes (%)	Current Year To-date 30/06/2020 (RM'000)	Preceding Year Corresponding Period 30/06/2019 Restated (RM'000)	Changes (%)
Revenue	27,633	95,330	(71)	234,607	333,299	(30)
Profit/(loss) from operation	(26)	22,226	(100)	40,182	43,555	(8)
Profit/(loss) before interest and tax	965	22,455	(96)	40,784	46,367	(12)
Profit/(loss) before tax	11,041	20,014	(45)	38,258	41,686	(8)
Profit/(loss) after tax	9,082	14,531	(37)	36,162	26,510	36
Profit/(loss) attributable to Owners of the Company	8,250	13,710	(40)	32,442	13,996	132

In the current twelve (12) months financial period, the Group recorded a decrease of 30% in revenue as compared to the same period last financial year. For the current year quarter, the Group recorded a decrease of 71%; from revenue of RM27.6 million compared to RM95.3 million in the preceding year corresponding quarter.

The 71% decrease are mainly from the Property Development Segment, Construction Segment and Logging and Timber Trading Segment. The Property Development Segment recorded a decrease of 93% in revenue for the current quarter under review as compared to the preceding year corresponding quarter. The Construction Segment recorded a 55% decrease in revenue for the current quarter in comparison to preceding year corresponding quarter. Likewise, the Logging and Timber Trading Segment saw a decrease of 67% in the current quarter as compared to the preceding year corresponding quarter.

Detailed analysis of the performance for the respective operating business segments for the period ended 30 June 2020 are as follow:

	Revenue			Profit / (Loss) before tax		
	Current Year Quarter 30/06/2020 (RM'000)	Preceding Year Corresponding Quarter 30/06/2019 Restated (RM'000)	Changes (RM'000)	Current Year Quarter 30/06/2020 (RM'000)	Preceding Year Corresponding Quarter 30/06/2019 Restated (RM'000)	Changes (RM'000)
<b><u>Segment</u></b>						
Construction	18,212	40,574	(22,362)	(3,692)	4,537	(8,229)
Logging & timber trading	5,340	16,166	(10,826)	3,502	5,495	(1,993)
Property development	2,544	36,860	(34,316)	9,240	10,392	(1,152)
Trading	1,287	1,269	18	(2)	(150)	NM
Logistic	240	385	(145)	(43)	565	(608)
Investment holding	10	76	(66)	2,036	(406)	2,442
Total	27,633	95,330		11,041	20,433	

\* NM = Non-meaningful

### Construction Segment

Construction Segment continues to be the main contributor of revenue for Fajarbaru. The revenue in this segment recorded a decrease of RM22.4 million; from RM40.6 million in the preceding year corresponding quarter to RM18.2 million in the current quarter. The revenue recorded in the preceding year corresponding quarter was due to the account finalization for the completed projects in LRT 2 resulted in the quarter registered a much higher revenue in comparison with the current quarter. The Movement Control Order (“MCO”) effected by the Government of Malaysia from 18 March 2020 has further impacted the construction work progress for the segment due to the sudden interruption of on-going activities.

The segment recorded a loss before tax of RM3.7 million in the current quarter as compared to profit before tax of RM4.5 million in the preceding year corresponding quarter.

### Logging and Timber Trading Segment

For the Logging and Timber Trading Segment, the revenue decreased from preceding year corresponding quarter compared to the current year quarter; a reduction of RM16.1 million to RM5.3 million. The profit before tax for the current year quarter is RM3.5 million as compared to RM5.5 million in the preceding year corresponding quarter.

The decrease in both revenue and profit before tax were due to reduce acreage of production block in the current year quarter as well as a balance of only 8.2% (approximately 2,300 acres) yet to be logged. The MCO has also resulted in the disruption of on-going activities and impacted the sales in the Logging and Timber Trading Segment.

### Property Development Segment

Property Development Segment recorded a decrease in revenue from the preceding year corresponding quarter compared to the current year quarter; from RM36.8 million to RM2.5 million. The profit before tax recorded a slight decrease for the three (3) months period, RM10.3 million in the preceding year corresponding quarter as compared to RM9.2 million in the current year quarter.

The lower revenue was due to the reduce work progress from its existing project, Rica Residence @ Sentul nearing its completion stage. The MCO has also disrupted the Property Development Segment activities due to the lockdown which started in March 2020. In the current quarter under review, the profit before tax include the reversal of borrowing cost amounted to RM10.6 million previously expensed off to profit and loss account. It has been reclassified to opening retained profit as explained in Note A2 and Note A16 above.

### Trading and Logistic Segments

The Trading Segment recorded a slight increase of approximately RM18,000 in revenue; from RM1.26 million in the preceding year corresponding quarter as compared to the current quarter of RM1.28 million. The Segment recorded a loss of approximately RM2,000 in the current quarter as compared to the preceding year corresponding quarter approximately RM150,000.

In the Logistic Segment, revenue decreased in the current year quarter, RM0.2 million as compared to the preceding year corresponding quarter of RM0.3 million. The segment recorded a loss before tax of approximately RM43,000 for the current year quarter as compared to a profit before tax of RM0.5 million in the preceding year corresponding quarter. The revenue decreased concurrently with the Logging and Timber Trading Segment due to no transportation required as a result of no sales and timber production during MCO.

## **B2 Variation of result against preceding quarter**

	Current Year Quarter 30/06/2020 (RM'000)	Immediate Preceding Quarter 31/03/2020 (RM'000)	Changes (%)
Revenue	27,633	53,114	(48)
Profit/(loss) from operation	(26)	(356)	93
Profit/(loss) before interest and tax	965	(421)	329
Profit/(loss) before tax	11,041	(971)	1237
Profit/(loss) after tax	9,082	6,656	36
Profit/(loss) attributable to Owners of the Company	8,250	3,366	145

For the current quarter ended 30 June 2020, the Group registered a lower revenue of RM27.6 million and a profit before tax of RM11.0 million as compared to a revenue of RM53.1 million and a loss before tax of RM0.9 million in the previous quarter ended 31 March 2020.

The reason for the lower revenue in the current quarter as compared to the previous quarter was mainly due to the lower construction activities for the Construction segment. The impact of MCO has affected not just the Construction Segment but the Property Segment as well as Logging and Timber Trading Segment. In the current quarter under review, the profit before tax included the reversal of borrowing cost amounted to RM10.6 million previously expense off to profit and loss account. It has been reclassified to opening retained profit as explained in Note A2 and Note A16 above.

## **B3 Current year prospects**

The Group's Construction segment will continue to develop through Year 2020, focusing on our current order book of approximately RM433.8 million (including RM13.5 million of internal projects). The MCO (Movement Control Order) has also impacted the construction industry as a whole and there will be uncertainties in the Construction segment in the short to mid-term. Having successfully completed past rail-related and infrastructure projects, the Group is capable and will continue its efforts to bid for future rail construction jobs as well as infrastructure works.

The business impact of the pandemic is slowly easing and we are optimistic that the sales of the remaining units of Rica Residence @ Sentul will improve with buyer-centric incentives. Sales remained at 74% and recovery is expected to be gradual due to the adverse impact on economic activities brought by the pandemic. Fajarbaru will continue to hold on to our landbanks and launch new developments subject to market improvements. In Melbourne, the sales rate for the Paragon remained at 92% and construction works are progressing well and scheduled to complete by end of the year. Ongoing efforts to sell the remaining units amidst the lockdown are in progress.

For timber industry, contribution of revenue is anticipated to be lower due to the lesser acreage of working blocks left to log and the production of the current working blocks is almost at its end. However, our associate company with a remaining 70% (approximately 14,000 acres) of working block that yet to be logged will continue to contribute to the Group's earnings in the future.

Looking forward, the Covid-19 pandemic would significantly impact the Malaysian economic outlook for 2020 as strict measures to contain the spread will affect domestic growth. Bank Negara recently revised the GDP growth forecast for 2020 to between -3.5% and -5.5%, this is mainly due to changes in world growth forecasts and unexpected length of the MCO. The country's economy is forecast to rebound in 2021 yet risks will remain as the Covid-19 situation is unprecedented. While the Group's operations have been adversely affected, the Group will continue to explore more business opportunities and is committed to continue capitalising its strengths to generate sustainable revenue from its existing or new businesses.

**B4 Profit forecast**

Not applicable.

**B5 Profit guarantee**

Claim by the Company against Cashrep Holdings Sdn. Bhd. ("Cashrep") and Cita Jati Sdn. Bhd. ("Cita Jati") based on Profit Guarantee Agreement.

On 23 November 2006 and 11 April 2007, the Company has obtained Winding-Up Orders from the Court against Cita Jati and Cashrep respectively. The Official Receiver from the Jabatan Insolvency, Wilayah Persekutuan was appointed as liquidator for both companies.

**B6 Income tax**

Income tax includes:

	Individual Quarter		Cumulative Quarter	
	3 months ended 30/06/2020  RM'000	3 months ended 30/06/2019 Restated RM'000	12 months ended 30/06/2020  RM'000	12 months ended 30/06/2019 Restated RM'000
Current period's provision	898	5,483	4,458	13,574
Under / (Over) provision for the prior years	-	-	(3,423)	289
	898	5,483	1,035	13,863
Deferred taxation	1,061	-	1,061	1,313
Under / (Over) provision for the prior years	-	-	-	-
	1,959	5,483	2,096	15,176

Taxation is computed after taking into consideration the available capital allowances and the adjusted business losses carried forward from previous years to set off against taxable profit.

**B7 Purchase or disposal of quoted securities**

There were no purchase or disposal of quoted securities in Malaysia during the financial quarter under review.

Investment in quoted shares as at 30 June 2020 were as follows :

	<b>RM'000</b>
At cost	11,822
At market value	
- Shares	8,643
- Warrants	1,958

**B8 Status of corporate proposals announced**

There were no corporate proposal announced during the financial period to date.

**B9 Borrowings**

The tenure of the Group borrowings classified as follows:-

	<b>30 June 2020</b>		<b>Restated 30 June 2019</b>	
	<b>Short term</b>	<b>Long term</b>	<b>Short term</b>	<b>Long term</b>
<b><u>Secured</u></b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Term loan	2,000	-	34,186	4,500
Hire purchase	1,841	1,941	1,637	3,502
Invoice Finance	4,684	-	6,907	-
Revolving Credit	20,000	-	12,078	-
	<u>28,525</u>	<u>1,941</u>	<u>54,808</u>	<u>8,002</u>

**B10 Off balance sheet financial instruments**

The Group does not have any financial instrument with off balance sheet risk as at 30 June 2020.

**B11 Trade receivables**

The age analysis of trade receivables is as follow :

	<b>Current Quarter Ended 30/06/2020 RM'000</b>
Not past due	25,293
Past due:	
- less than 3 months	6,476
- 3 to 6 months	4,539
- over 6 months	371
- more than 1 year	11,353
	<u><u>48,032</u></u>

The Group is satisfied that recovery of the amount is possible, therefore there is no impairment for past due trade receivables.



## **B12 Material litigation**

There were no any other proceeding, pending or threatened litigation or any fact likely to give rise to any proceedings which might materially and adversely affect the position or business of the Group as at 30 June 2020 except as disclosed in the following:-

### **a) Fajarbaru Builder Sdn. Bhd. (“Claimant”) vs Tan Wee Meng (“Respondent”)**

The Claimant had filed a Claimant’s Statement of Case dated 13 December 2019 against the Respondent for a sum of RM10,000,000.00 (“the Claim”).

The Claim was made pursuant to a Director’s Guarantee dated 8 August 2017 given by the Respondent in favour of the Claimant, whereby the Respondent irrevocably and unconditionally undertook to immediately pay on demand to the Claimant any amount due and owing by TYL Land & Development Sdn Bhd (“TYL Land”), up to the maximum guarantee amount of RM10,000,000.00, in respect of the whole of the obligations of TYL Land in relation to the Podium Block works of L’Marq Semenyih Project carried out by the Claimant.

### **b) Fajarbaru Builder Sdn. Bhd. (“Claimant”) vs Shaw Plaza Sdn. Bhd. (“Respondent”)**

On 19 April 2019, the Claimant was served with a Solicitor Letter of agreeable to resolve their differences and disputes by way of arbitration proceedings to the Respondent.

The Solicitor Letter to the Respondent to refer the disputes or differences arising from the Contract and Mutual Termination Agreement dated 25 May 2015 (“MTA”), relating to the Shaw Parade Project to arbitration. The Claimant has indicated to the Respondent that they have a claim against the Respondent amounting to RM22.8 million, in addition to other damages, costs, interests and other expense claims.

## **B13 Dividend**

No dividend were declared for the forth quarter ended 30 June 2020.

## **B14 Earnings per share**

The **basic earnings per share** is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issued at the end of the period.

The **diluted earnings per share** is calculated by dividing the net profit attributable to equity holders of the Company for the current individual quarter and the current cumulative quarter by the adjusted weighted average number of ordinary shares in issue during the current individual quarter and the current cumulative quarter plus the weighted average number of ordinary shares which deemed to be issued on conversion of warrants and ESOS into ordinary shares.

	Individual Quarter		Cumulative Quarter	
	3 months Ended 31/03/2020  RM'000	3 months Ended 30/06/2019 Restated RM' 000	12 months Ended 31/03/2020  RM000	12 months Ended 30/06/2019 Restated RM'000
Net profit attributable to Owners of the Company	8,250	13,710	32,442	13,996
Weighted Average Number of shares at the end of the period ('000)	371,030	372,773	371,637	372,773
Weighted Average Number of shares of conversion of ESOS to shares ('000)	*	119,228	*	119,228
Adjusted number of ordinary shares in issue and issuable ('000)	371,030	492,001	371,637	492,001
Nominal value of share (RM)	0.50	0.50	0.50	0.50
<b>Basic (loss) / earnings per share (sen)</b>	2.22	3.68	8.73	3.75
<b>Diluted (loss) / earnings per share (sen)</b>	2.22	2.79	8.73	2.84

\* The Group has no dilution in its earnings per shares in the current financial period as the Employees' Share Option Scheme ("ESOS") has been expired on 17 December 2019.

## **B15 Profit before taxation**

	Current Year Quarter 30/06/2020 RM'000 Unaudited	Current Year To-date 30/06/2020 RM'000 Unaudited
Profit before tax is arrived at after charging/(crediting):-		
Interest income	(524)	(1,194)
Depreciation	3,464	13,547
Interest expense	2,236	4,186
Finance cost adjustment, according MFRS 123	(10,584)	-
Provision for and write off of receivables	467	467
Provision for and write off of inventories	657	657
Unrealised (gain)/loss on foreign exchange	(2,694)	(397)
Unrealised (gain)/loss on investment fund	3	(11)

**B16    Authorisation for issue**

The Board of Directors authorised the issue of this unaudited interim financial report on 27 August 2020.

By Order of the Board  
**Fajarbaru Builder Group Bhd (281645-U)**

Dato' Ir Low Keng Kok  
Chairman

Kuala Lumpur  
27 August 2020